

EXHIBIT A

Employee Agreement**"WHAT ARE THE RULES?"****11.0****STANDARDS OF CONDUCT AND DISCIPLINE TAB****11.1 STANDARDS OF CONDUCT AND DISCIPLINE**

The following basic Company guidelines are not intended to encompass all Company policies and procedures. If you have questions, please ask your Supervisor for clarification. We may, from time to time, modify these guidelines at our discretion.

11.2 CAUSES FOR TERMINATION

The following is a list of actions that can result in immediate termination of employment. No previous Counseling Notices are necessary. If termination does not occur, an Employee Counseling Notice will be issued and is permanently retained in the employee's personnel file.

1. Falsification of Company records and/or timecards, including omitting facts or willfully giving wrong or misleading information. This includes, but is not limited to:
 - a. the employment application
 - b. internal investigations
 - c. benefit enrollment forms
 - d. workers' comp forms
 - e. inventory, vault or sales audit forms
 - f. signing someone else's timecard or swiping someone else's name badge
 - g. having your timecard signed or your name badge swiped by someone else
2. Violation of Company policy prohibiting harassment including, but not limited to:
 - a. sexual harassment
 - b. retaliation
 - c. interfering with an investigation

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3. Violation of Company policy prohibiting discrimination against or harassment of co-workers, vendors or members including, but not limited to:
 - a. malicious gossip
 - b. derogatory attacks
 - c. retaliation
 - d. interfering with an investigation
4. Unauthorized collection, disclosure or misuse of confidential information relating to Costco, its members, employees, suppliers or agents.
5. Violation of Manager's Standard of Ethics.
6. No call/no show for three consecutive days (job abandonment) and/or unauthorized absence for three consecutive days.
7. Unauthorized leave of absence or failing to return from a leave of absence and/or failure to provide required documentation for a leave of absence.
8. Unbecoming conduct, horseplay, unnecessary noise, or any act that jeopardizes the order of business and safety of the Company, the employee, other employees, customers, vendors, or Company property.
9. Any conflict of interest which includes, but is not limited to:
 - a. creating a business in competition with Costco
 - b. working for another employer in competition with the Company
 - c. performing unauthorized work for a customer as a representative of Costco.
10. Serious misconduct of any kind as defined by the Company.
11. Three unpaid suspensions in any 12-month period.
12. Any relationship that jeopardizes your ability to perform your job responsibilities safely, competently and/or honestly.
13. Creating or contributing to unsanitary or immoral conditions.
14. Violation of the Drug and Alcohol-Free Workplace Policy:
 - a. reporting for or returning to work under the influence of unauthorized substances (see note on page 17).
 - b. possessing, consuming, or selling any controlled substances on Company premises.
 - c. refusing to be tested for alcohol and/or substance abuse in the event of reasonable suspicion of use of an unauthorized substance or as a result of being involved in or having contributed to an accident involving injury or harm to individuals, property or equipment.
 - d. testing positive for an unauthorized substance.



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11.4 EMPLOYMENT AND RELATIONSHIPS

If you have a relative or friend who is interested in employment with Costco, we will be happy to discuss opportunities. Having a relative or friend reporting to you can give the appearance of favoritism and affect your performance. This is a serious violation of Company policy that can result in termination of your employment, as described in Section 11.2, #12. We will therefore avoid reporting relationships between friends and family members.

In addition, your relationship with a co-worker can jeopardize your ability to perform your job responsibilities safely, honestly and/or competently if you work in the same department or if such co-worker audits your work. In the event that such relationships exist, appropriate transfers will occur.

If you feel that you are in a situation where the appearance of bias or favoritism might arise, it is your responsibility to make your Supervisor or Manager aware of the situation.

11.5 STANDARD OF ETHICS – MANAGERS/SUPERVISORS

The Costco Mission Statement sets forth our commitment to obey the law, take care of our members and employees, respect our vendors, and reward our shareholders. We cannot accomplish these goals unless we adhere to a set of moral principles that project our Mission's objectives to our fellow employees, members, vendors and community. In accepting a position of management, you must be committed to and demonstrate a role of honesty and forthrightness. Managers above all else lead by example:

- You must treat the rights of employees, members and vendors with respect and dignity.
- Inappropriate fraternization with employees creates an atmosphere of conflict of interest and favoritism and is not acceptable.
- Managers must always strive to keep the workplace free of any form of harassment or discrimination. All members of management must review, be versed in, and administer the policy prohibiting harassment and discrimination as outlined by the Costco Employee Agreement. All forms of harassment, whether due to race, color, national origin, ancestry, sex, sexual orientation, religion, age, disability, work-related injury, veteran status, political ideology or any other unlawful reason is prohibited.
- You must deal with vendors in the same honest and forthright manner that we expect from them.



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- Personal relationships with any person providing a business service to Costco are generally prohibited. Do not seek or accept from any person or company doing business with Costco any gift, service, loan, entertainment or trip of any value. Your position at Costco must never be used to influence a vendor or any person doing business with us to provide benefit to you or your family.
- Without proper authorization, you may not release confidential information to outside sources.
- Never manipulate records (payroll, personnel, inventory, etc.) to enhance performance or results.
- Do not exploit Costco merchandise, equipment, supplies and/or employees for personal gain.
- Our management commitment requires us to operate within the law. You must adhere to Company policies and directives in all aspects of the operation.
- All Managers are to be aware of and administer our Drug and Alcohol-Free Workplace Policy as defined in the Costco Employee Agreement.

Following and administering the standards of conduct and discipline as stated in the Costco Employee Agreement is one way to foster our goal of maintaining a safe and efficient working and shopping environment.

The above common sense guidelines can never answer every question or solve all problems. At the core of our philosophy as a Company must be the implicit understanding that not one of us is required to lie or cheat on behalf of Costco or to enhance our Company or personal performance. Managers must never engage in any activity which could raise a question concerning their integrity.

Any time there is the slightest doubt about an activity that could be questioned regarding honesty, integrity or intent, you must discuss it with your Manager or Regional Vice President to remove any doubt.

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11.6 PRIVACY POLICY

Costco Wholesale respects our members' and employees' right to privacy, and it is up to each employee to take every precaution to make sure we respect this right.

- In the course of our business, we collect from our members a substantial amount of personal information (such as name, address, phone number, e-mail address, membership numbers and credit card numbers). *All of this information must be held strictly confidential and cannot be disclosed to any third party for any reason, unless (1) we have the person's prior consent or (2) a special exception is allowed that has been approved by the legal department.*
- Additional rules apply to personal health information collected in our pharmacies, optical and hearing aid centers, as well as personal health information related to our employees, such as benefits and leaves of absence for medical reasons. All employees who handle personal health information are required to complete additional training. Please contact your supervisor if you have not received this training.

All Costco employees shall refrain from gossip. This includes topics such as, but not limited to, sick calls, leaves of absence, FMLA call outs, ADA accommodations, Workers' Comp injuries, etc.

11.7 INTELLECTUAL PROPERTY PROVISION

Please remember that as an employee of Costco, all creative work, business ideas and products that you design and develop as a Costco employee, or that otherwise relate directly to our business, are the sole property of Costco. This does not apply to creative work, business ideas or inventions developed entirely on an employee's own time and without the use of Company equipment, supplies, facilities or trade secrets.

11.8 E-MAIL/INTERNET POLICY

Costco Wholesale recognizes the benefits associated with electronic communications for business use. However, to minimize risks, such as unauthorized access to Costco systems and corruption of programs or data by outside parties, the following policies apply:

- Electronic communications, data transfers, remote access, and Internet access are for the sole purpose of facilitating the business of Costco Wholesale and are not intended for personal use.
- Costco Wholesale owns all information collected during the course of business and misuse is prohibited.
- Costco Wholesale reserves the right, according to applicable law, to monitor and log all computer activities without notification.
- Every employee is responsible for ensuring that all information relating to Costco Wholesale, its members, vendors, employees and operations is secure, kept in confidence, and not disseminated or misused.



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- Only software or computer equipment purchased and/or authorized by Costco Wholesale Information Systems may be installed on the company-owned network or stand-alone computing devices.
- Any communication transmitted or displayed electronically must comply with the Costco Wholesale Employee Agreement. All employees are responsible for communicating with appropriate business decorum.
- All Costco Wholesale system access passwords are the responsibility of the employee and should be kept confidential.
- All Computer users should sign off the system when they are away from their computer. Screen saver passwords are appropriate for shorter absences and their use is encouraged.

Misuse of electronic communications, data transfers, remote access or Internet access is a violation of Company policy for which you may be disciplined, up to and including termination of employment. Examples warranting termination could include distributing or posting illegal or offensive materials.

Please contact the Costco Wholesale IS Information Security group for additional information.

11.9 TIMECARDS

Timecards refer to both manual timecards and the Automated Timecard System. The Automated Timecard System accurately records your time as you swipe your employee badge through the reader. You are responsible for accurately recording your time. Failure to accurately record your time is a violation of Company Policy.

Please record the exact time of the following:

1. When you begin your shift.
2. When you leave for your meal period.
3. When you return from your meal period.
4. When you end your shift.

It is your responsibility to be at your position when your shift begins. All time spent preparing for work (hanging up your coat, etc.) should be completed before you sign in. Other important points are as follows:

1. Never fill in a timecard ahead of time.
2. Always sign your timecard at the end of your last shift.
3. Never fill in another person's timecard.
4. All overtime requires Supervisor approval PRIOR to working overtime.

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